
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

TO: ALL TAXING UNITS

FROM: DEPARTMENT OF LOCAL GOVERNMENT FINANCE (DLGF)

**SUBJECT: ADDITIONAL APPROPRIATION/TRANSFER PROCEDURES
(IC 6-1.1-18-5, IC 6-1.1-18-6)**

DATE: April 2002

IMPORTANT NOTICE

The following serves as a revised update to the additional appropriation memorandum dated May 10, 2000. **Please read this bulletin in its entirety.**

ADDITIONAL APPROPRIATIONS

While the fiscal body of a taxing unit must act on all additional appropriations, approval by the Department of Local Government Finance (DLGF) is limited to cash funds that receive revenue from property taxes levied under IC 6-1.1*, Motor Vehicle Highway account IC 8-14-1-1, or Local Road and Street account IC 8-14-2-4. Additional appropriations from the Rainy Day Fund also require approval from the DLGF. Other additional appropriations (including those made from the proceeds of bonds and loans) must only be reported (*Reporting Only funds*) to the Department of Local Government Finance (DLGF). The DLGF will only acknowledge the receipt of information for funds that are designated as "Reporting Only". In this process, there is a heavy reliance upon individual fiscal officers to provide the DLGF with accurate information.

* Additional appropriations from the Cumulative Bridge Fund, if the appropriations meet the requirements under IC 8-16-3-3(e), must only be reported.

State grant monies, such as Build Indiana grants, that are not required to be paid back and that are itemized and earmarked for particular expenditures do not necessarily need to be appropriated by the taxing unit in order to make such expenditures. The determination is under the assumption that the taxing unit receives the money up front and it is receipted into a separate fund and is not a reimbursement to a previously established fund that requires an appropriation. Grant monies must be expended in accordance with the grant budget.

The following steps should be followed when obtaining additional appropriations (authority to expend funds) that were not included in the annual budget. **Units with departmentalized budgets should use these procedures when appropriations are reduced in one department**

and re-appropriated in another department within the same fund.

STEP 1:

If the proper officers of a political subdivision desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined by the DLGF budget order, they shall give notice of their proposed additional appropriation. The notice shall state the time and place at which a public hearing will be held on the proposal. The notice shall be given **once** in accordance with IC 5-3-1-2(b) for a public hearing on the proposal.

Publication requirements have not changed in terms of the number of newspapers to be used or the number of insertions. **Legal notices for additional appropriations, whether or not they require approval of the Department of Local Government Finance (“Reporting Only” funds), must be published one (1) time in accordance with IC 5-3-1-4, not less than ten (10) days before the public hearing on the proposal.** (Do not count the day of the public hearing.) Political affiliation of the newspaper is no longer associated with legal publication.

Qualified publication as defined in IC 5-3-1-0.7:

“(a) As used in this chapter, "qualified publication" means a publication that:

- 1) is published daily, weekly, semiweekly, or tri-weekly;
- 2) is of general circulation to the public;
- 3) has been published for at least three (3) consecutive years in the same city or town;
- 4) has continuity as to title and general nature of content from issue to issue;
- 5) contains news of general or community interest, community notices, or editorial comment;
- 6) contains advertisements from unrelated advertisers in each issue;
- 7) has, in more than one half (1/2) of its issues published during the previous twelve month period, not more than seventy five percent (75%) advertising content;
- 8) has a known office location in the county which it is published; and
- 9) has been entered, authorized, and accepted by the United States Postal Service as mailable matter of requester second class or of the third class (as defined in 39 U.S.C. 3623) for the time published.”

IC 5-3-1-4, which was amended effective January 1, 1996, covers the guidelines for publication requirements for all political subdivisions. A brief summary of requirements follows:

- ?? Counties - if only one newspaper is published in the county, publication in that newspaper is sufficient.
- ?? City, Town, or School- if only one newspaper is published in the municipality or School Corporation, publication in that newspaper alone is sufficient. If no newspaper is published in the municipality or school corporation, then publication shall be made in a newspaper or newspapers published in the county in which the municipality or school corporation is located and that circulates within the municipality or school corporation. Also, the notice shall be posted:
 - (1) at or near the city or town hall or school administration building; or
 - (2) at the:

- (i) public building where the governing body of the respective city, town, or school corporation meets; or
- (ii) post office in the municipality or school corporation (or at the bank if there is no post office);

if the municipality does not have a city or town hall, or the school corporation does not have an administration building.

?? Township- **if there is only one** (1) newspaper published in the political subdivision, then the notice shall be published in that newspaper and if another newspaper is published in the county and circulates within the political subdivision in the other newspaper. If no newspaper is published in the political subdivision, then publication shall be made in a newspaper published in the county and that circulates within the political subdivision.

CROSS COUNTY UNITS

City, Town, or School- if a political subdivision has territory in more than one county:

- (1) publish in **two** newspapers within boundaries of the political subdivision.
- (2) **if there is only one** newspaper published within the boundaries of the political subdivision, then publish in that paper and in any other newspaper that:
 - a) is published in the county in which the subdivision extends
 - b) has a general circulation in the political subdivision.
- (3) **if no** newspaper is published within the political subdivision's boundaries, then publish in two newspapers that:
 - a) are published in a county in which the political subdivision extends:
 - b) has a general circulation in the political subdivision.
- (4) **if only one** newspaper is published in any of the counties in which the subdivision extends, then publish in that newspaper if it circulates within the political subdivision.

*****Qualified publications must circulate to not less than ten percent of the population of the county in which the qualified publication is published.**

(A sample Notice to Taxpayers and Proof of Posting are included in this memorandum.)

STEP 2:

The proper officers of the political subdivision shall hold the public hearing on the proposal as advertised. At the public hearing, action shall be taken to approve, reduce, or disapprove the additional appropriation as advertised. (A sample resolution/ordinance is included in this memorandum.) Appropriations exceeding the amount advertised should not be adopted.

STEP 3:

FUNDS THAT RECEIVE PROPERTY TAX*, MVH AND LR & S FUNDS, AND THE RAINY DAY FUND

After the public hearing, the proper officers of the political subdivision shall file a Certified Copy of their final proposal and any other relevant information with the Department of Local Government Finance.

*Additional appropriations from the Cumulative Bridge Fund, if the appropriation meets the requirements under IC 8-16-3-3(e) must only be reported to the DLGF.

“REPORTING ONLY”- FUNDS THAT DO NOT RECEIVE PROPERTY TAX** (EXCLUDING THE MVH, LR & S, STATE GRANTS AND RAINY DAY FUNDS) AND APPROPRIATIONS MADE FROM THE PROCEEDS OF BONDS AND LOANS

As the final step for additional appropriations from funds that do not include revenue from property taxes (excluding the MVH, LR&S, State Grants and Rainy Day Funds) and appropriations made from the proceeds of bonds and loans, the fiscal officer of the political subdivision, shall report the additional appropriation to the Department of Local Government Finance in the form of a Certified Copy. (DLGF approval is not required.)

**Additional appropriations from the Cumulative Bridge Fund, if the appropriation meets the requirements under IC 8-16-3-3(e) must only be reported to the DLGF.

The DLGF will rely on the Certified Copy of Additional Appropriations as verification by the taxing unit's fiscal officer that these events (notice published, meeting held, and resolution passed) have occurred. The DLGF order approving additional appropriations is conditioned upon accuracy of the Certified Copy and the financial information provided.

STEP 4:

When the Department of Local Government Finance receives a Certified Copy for a proposed additional appropriation from funds including revenue from property taxes, motor vehicle highway or local road and street accounts, the DLGF shall determine whether sufficient funds are available during the calendar year for the proposal. The DLGF shall issue a written determination within 15 days of receipt of the proposal. The DLGF shall limit the amount of the additional appropriation approval to revenues available, or to be made available, that have not been previously appropriated. The Certified Copy shall include the January 1 cash balance (including investments) and appropriations encumbered from the prior year(s). **The accuracy of these figures is certified by the fiscal officer to the Department of Local Government Finance.**

If an appropriation is to be funded with income in excess of revenue estimates made at the time of the annual DLGF budget hearing, then information supporting such additional revenue must be provided at the time of submission. If revenue is available from carry-over cash that is not encumbered from the previous year or the current budget, supportive evidence is not necessary.

Increased miscellaneous revenue must be shown by completing a revised Budget Form 2 (Estimate of Miscellaneous Revenues) detailing increases. If a Form 2 is not completed, the miscellaneous receipts will not be revised and the proposal will be denied for the amounts that cannot be funded.

If information filed is incomplete, the Department of Local Government Finance will return the Certified Copy to the taxing unit.

STEP 5:

If the Department of Local Government Finance disapproves an additional appropriation, the reason for disapproval shall be specified on the written determination sent to the political subdivision.

STEP 6:

A political subdivision may request a reconsideration of a determination by the DLGF by filing a written request for reconsideration. A request for reconsideration must:

- 1) Be filed with the Department of Local Government Finance **within fifteen (15) days** of the receipt of the determination by the political subdivision; and
- 2) State specifically the reason for the request for reconsideration.

STEP 7:

The Department of Local Government Finance must act upon a request for reconsideration within fifteen (15) days of receipt. The Certified Copy of Additional Appropriations, any revised Form 2's, and breakdown by fund and category must be sent to:

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
BUDGET DIVISION
100 N SENATE AVE., ROOM N1058
INDIANAPOLIS IN 46204

SUMMARY OF ADDITIONAL APPROPRIATION PROCEDURES:

1. Notice to Taxpayers is published in accordance with IC 5-3-1-4 (see p. 2) 10 days before the public meeting.
2. Public meeting is held on the date and time as advertised. Resolution/Ordinance is passed.

3. Appropriations from funds receiving property tax*, including the Rainy Day Fund, MVH and LR&S funds must be certified and are reviewed by the DLGF to insure that funds are available.

* Additional appropriations from the Cumulative Bridge Fund, if the appropriations meet the requirements under IC 8-16-3-3(e), must only be reported.

4. For all funds that do not receive property taxes, with the exception of MVH, LRS, State Grants and the Rainy Day Fund, the unit must report the fund and amount appropriated to the Department of Local Government Finance. Appropriations from the proceeds of bonds and loans are also “reporting only” and do not require DLGF approval.

Note: State grant monies, such as Build Indiana grants, that are not required to be paid back and that are itemized and earmarked for particular expenditures do not necessarily need to be appropriated by the taxing unit in order to make such expenditures. Grant monies must be expended in accordance with the grant budget.

5. The Department of Local Government Finance (DLGF) issues a written determination on appropriations requiring approval within fifteen (15) days of receipt. The deadline to submit additional appropriation requests to the DLGF is December 15. Appropriations are available for use once the DLGF approval is received.
6. If appropriations are denied, the unit may request within fifteen (15) days specific reconsideration of determination by the Department of Local Government Finance (DLGF).
7. The Department of Local Government Finance (DLGF) will respond to reconsideration request within 15 days of receipt.

ENTRIES ON THE CERTIFIED COPY AND APPROPRIATIONS REQUEST SHOULD BE TO THE NEAREST DOLLAR. DO NOT USE CENTS.

WHO CERTIFIES AS THE FISCAL OFFICER:

COUNTIES:	County Auditor
TOWNSHIPS:	Trustee
CITIES:	Controller, Clerk-Treasurer
TOWNS:	Clerk-Treasurer
LIBRARIES:	Director, Treasurer
SCHOOLS:	Superintendent, Business Manager, Treasurer
SPECIAL DISTRICTS:	Treasurer to the Board

TRANSFER OF APPROPRIATIONS

IC 6-1.1-18-6 reads:

- a) The proper officers of a political subdivision may transfer money from one major budget classification to another within a department or office if:

- (1) they determine that the transfer is necessary;
 - (2) the transfer does not require expenditure of more money than the total amount set out in the budget as finally determined under this article;
 - (3) the transfer is made at a regular public meeting and by proper ordinance/resolution; and
 - (4) the transfer is certified to the county auditor.
- b) A transfer may be made under this section without notice and without the approval of the Department of Local Government Finance.

(Note: It is not necessary to file documentation with the DLGF on transfers from one major budget classification to another within a department.)

TRANSFER OF FUNDS TO THE RAINY DAY FUND

Pursuant to IC 36-1-8-5.1:

- a) A political subdivision may establish a rainy day fund to receive transfers of unused and unencumbered funds.
- b) The rainy day fund is subject to the same appropriation process as other funds that receive tax money. Before making an appropriation from the rainy day fund, the fiscal body shall make a finding that the proposed use of the rainy day fund is consistent with the intent of the original fund.
- c) In any fiscal year, a political subdivision may transfer not more than ten percent (10%) of the political subdivision's total budget for that fiscal year to the rainy day fund.
- d) The Department of Local Government Finance may not reduce the actual or maximum permissible levy of a political subdivision as a result of a balance in the rainy day fund of the political subdivision.

Transfers to the Rainy Day Fund must be reported to the Department of Local Government Finance (DLGF). Units must submit to the DLGF the resolution/ordinance from the fiscal body approving the transfer. The resolution/ordinance must include the name of each fund and the amount being transferred out of each fund to the Rainy Day Fund.

ADMINISTRATIVE NOTES

1. Questions regarding Additional Appropriations should be directed to the attention of Paige Gilpin or Teresa Hemmerle at (317) 232-3773
2. Additional Appropriations to be approved by the Department of Local Government Finance will not be accepted after **December 15** of any year. Units may submit

“Reporting Only” appropriations until December 31 of any year.

3. The *Certified Copy of Additional Appropriations* utilizes the computer generated Budget Form 4B (16 line statement), Budget Form 4 (approved appropriations) and Budget Form 2 (miscellaneous revenues) which is provided each unit upon review by the hearing officer during the fall budget certification process. Lines 1, 2, 3, 4 and 7 rely on this information.
4. When increasing miscellaneous revenues for Line 4 of the Certified Copy, only show increases in Column B of the form. Column B must be fully completed and totaled. Be sure to include the form when forwarding the additional appropriation to the DLGF.
5. Encumbrances that are certified on Line 8 of the certified copy are approved appropriations carried forward from a prior year were supported by a sufficient cash balance for that year and the appropriation can be evidenced by a contract or purchase order. Appropriations carried forward (encumbrance) should be approved by the unit’s fiscal body prior to start of the year to which carried forward.
6. The Appropriations Certificate (sample on page 14) must be signed and accompany the Certified Copy (sample on page 13).

**SAMPLE
ADDITIONAL APPROPRIATION RESOLUTION/ORDINANCE**

Whereas, It has been determined that it is now necessary to appropriate more money than was appropriated in the annual budget; now, therefore:

Sec.1. Be it ordained (resolved) by the _____
(Governing Body)
of _____, _____ County, that for the expenses of the
(Taxing Unit) (County)
taxing unit the following additional sums of money are hereby appropriated out of the funds named and for the purposes specified, subject to laws governing the same:

Fund Name: _____	AMOUNT REQUESTED	AMOUNT APPROPRIATED
Major Budget Classification _____	\$ _____	\$ _____
TOTAL for _____ Fund:	\$ _____	\$ _____
<small>(Repeat for any other funds)</small>		

Adopted this _____ day of _____, 20__.

NAY	AYE

ATTEST:

Secretary of Governing Body

**SAMPLE
 ADDITIONAL APPROPRIATION RESOLUTION/ORDINANCE
 (APPROPRIATION REDUCTION)**

Whereas, it has been shown that certain existing appropriations now have unobligated balances that will not be needed for the purposes for which appropriated, it is further ordained (resolved) that the following existing appropriations be reduced in the following amounts:

	AMOUNT REQUESTED	AMOUNT REDUCED
Fund Name: _____		
Major Budget Classification: _____	\$ _____	\$ _____
TOTAL for _____ Fund:	\$ _____	\$ _____

(Repeat for any other funds)

Adopted this _____ day of _____, 20____.

NAY

AYE

ATTEST:

 Secretary of Governing Body

**SAMPLE
NOTICE TO TAXPAYERS OF ADDITIONAL APPROPRIATIONS**

Notice is hereby given the taxpayers of _____, _____ County,
(Name of Taxing Unit) (County)
Indiana that the proper legal officer of _____ at their regular meeting place at
_____, at _____ o'clock _____ .m., on _____ day of
(Location)
_____, 20____, will consider the following additional appropriations in excess of the
budget for the current year.

Fund Name: _____	Amount
Major Budget Classification _____	\$ _____
TOTAL for _____ Fund:	\$ _____

(Repeat for any other funds)

Taxpayers appearing at the meeting shall have a right to be heard. The additional appropriations as finally made will be referred to the Department of Local Government Finance (DLGF). The DLGF will make a written determination as to the sufficiency of funds to support the appropriations made within fifteen (15) days of receipt of a Certified Copy of the action taken.

Dated _____

(Fiscal Officer)

Do not publish the following Instructional Note

Appropriations to be reduced should be named in the published notice; set out separately and not co-mingled with the additional appropriations being requested. The resolution/ordinance adopted by the governing body must separately list each appropriation.

CERTIFIED COPY OF ADDITIONAL APPROPRIATION

COUNTY NAME: _____

UNIT NAME: _____

Date of Publication _____ Newspaper _____

Date of Publication _____ Newspaper _____

Date of Public Hearing _____

Date of Resolution/Ordinance _____

Complete for each fund from which the additional appropriations are made. Use a separate column for each fund. Lines referred to below are on the 16 – Line computer statement from DLGF budget hearing.

Fund Number				
Fund Name				
Appropriation Request				
Amount by Reduction				
Amount by Surplus				
1. Property Tax Levy (Line 16)				
2. Levy Excess (Line 15)				
3. PTRC from CAGIT (Line 13)				
4. Misc. Revenue (Line 8b) (If higher than 8b amount, a revised Budget Form 2 must be attached.)				
5. January 1 Cash Balance (including any investments)				
6. Total Funds (1 + 2 + 3 + 4 + 5)				
7. DLGF Approved Budget				
8. Encumbered Appropriations				
9. Beginning Appropriations (7 + 8)				
10. Surplus Funds (6 – 9)				
11. Amount additionally appropriated since January 1 st less any reductions in appropriations.				
12. Amount transferred to the Rainy Day Fund.				
13. Surplus Funds Remaining (10-11-12)				

I, _____, fiscal officer of _____ do hereby certify that the above information is true and correct.

Dated this _____ day of _____, 20_____

(Signature)

(Title)

(Unit Address)

(Telephone Number)

(City / Towns / Zip Code)

Amt. of Additional Appropriation Requested	Amt. of Reduction of Appropriation		
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Fund: _____

Department: _____

100000 Personal Services
 200000 Supplies
 300000 Other Svc & Charges
 400000 Capital Outlays
 9999 Total

Fund: _____

Department: _____

100000 Personal Services
 200000 Supplies
 300000 Other Svc & Charges
 400000 Capital Outlays
 9999 Total

Fund: _____

Department: _____

100000 Personal Services
 200000 Supplies
 300000 Other Svc & Charges
 400000 Capital Outlays
 9999 Total

Fund Total \$ _____
 (If Departmentalized)

I, _____ fiscal officer of _____,
(Name) (Taxing Unit)
 do hereby certify that amounts appropriated on _____ are to be appropriated to
(Date)
 the above stated major classes.

 (Signature/Title)

Attach additional copies as needed